

APG Tax Center offers free tax preparation in February 2011

By OSJA Staff

The Installation Tax Assistance Program, directed by the Office of the Staff Judge Advocate (OSJA), Client Services Division, and supervised by Captain Justin Ulrich, OSJA, provides free tax assistance each year to qualifying active duty service members, retirees, and family members. Active duty service members are those military members currently holding an active duty ID card. Reserve component service members who are not mobilized are not eligible for services and should contact their individual units for assistance.

The OSJA will host a Ribbon Cutting Ceremony and Open House for one of its two tax centers as part of the 2011 Tax Assistance Program from 10:00 a.m. to 11:00 p.m., February 7, 2011 at the Edgewood Area Tax Center, located in building 4227. Commanders or their designees are invited to preview the facility and talk with the Tax Center staff members.

The Edgewood Tax Center will open its doors to service members and their family members on February 8 and will close on April 15. Hours of operation will be 9:00 a.m. to 4:00 p.m., Monday through Friday. At this time, the Edgewood Area Tax Center will only be providing basic tax preparation assistance to service members and family members.

The Aberdeen Area Tax Center, located at building 4313, will be providing basic and more advanced tax preparation assistance to all eligible clients to include active duty service members, retirees, and family members. The Aberdeen Area Tax Center is scheduled to open February 8 with hours of operation from 8:30 a.m. to 4:00 p.m., Monday through Friday.

Trained Staff

Military and civilian personnel have been assigned to work at the two Tax Centers on a full-time basis and will be trained in Federal and Maryland state income tax return preparation. An Internal Revenue Service examination at the end of the course certifies each preparer for the Volunteer Return Preparation Program.

Tax Returns

The Aberdeen Area Tax Center staff will only be preparing simple and intermediate level tax returns. Complex tax returns outside the scope of the Volunteer Return Preparation Program will be referred to professional providers. However, tax law changes enacted by Congress in December mean some people need to wait until February 14 to file their tax returns in order to give the IRS time to reprogram its processing systems. This includes taxpayers impacted by any of three tax provisions that expired at the end of 2009 and were renewed by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act Of 2010 enacted Dec. 17.

Those who need to wait to file include:

Taxpayers Claiming Itemized Deductions on Schedule A. Itemized deductions include mortgage interest, charitable deductions, medical and dental expenses as well as state and local taxes. In addition, itemized deductions include the state and local general sales tax deduction that was also extended and which primarily benefits people living in areas without state and local income taxes.

Taxpayers Claiming the Higher Education Tuition and Fees Deduction.

This deduction for parents and students – covering up to \$4,000 of tuition and fees paid to a post-secondary institution – is claimed on Form 8917. However, the IRS emphasized that there will be no delays for millions of parents and students who claim other education credits, including the American Opportunity Tax Credit extended last month and the Lifetime Learning Credit.

Taxpayers Claiming the Educator Expense Deduction. This deduction is for kindergarten through grade 12 educators with out-of-pocket classroom expenses of up to \$250.

Be prepared:

It is extremely important to gather the information needed to file an accurate return. Documents needed depend on each individual situation. The Tax Centers cannot prepare a return unless the taxpayer brings all necessary documentation. Inaccurate tax returns caused by incomplete/faulty information may incur IRS penalty and interest assessments. Prior to arriving at the Tax Centers, patrons should access the "Client Agreement and Questionnaire" located on the APG website at www.apg.army.mil, or the Legal website at <https://www.jagcnet.army.mil/8525761700412C32>, click on APG Tax Center. This document is extremely helpful in gathering the information needed to file an accurate return.

Information needed:

- Copy of your last tax return (2009)
- Original W-2 statements
- Social security cards for yourself, spouse, and all dependents
- Social security income statements
- Form 1099 stating interest, dividends or capital gains, distributions from pensions and IRAs
- Alimony information
- Child care expenses and provider identification and address
- Settlement paperwork (for purchase or sale of home)
- Real estate tax statement
- Power of attorney signed by the spouse if either party plans to sign the spouse's name on a joint tax return
- Blank check with your routing and account number for a refund directly deposited into a bank account

For those who itemize deductions or own a home that is rented to others, bring materials such as:

- Mortgage interest statements (Form 1098)
- Medical receipts
- Rental reports
- Investment statements
- Charitable contribution receipts (name and address of charitable organization, date of contribution and bank receipts for cash contributions)

For stock sold this year, the taxpayer must establish the sales price and the cost basis of the stock before coming to the tax center. Staff cannot calculate these figures.

Obtaining W-2s online

Defense Finance and Accounting Service myPay is a secure, DFAS-operated Web site that lets active duty, National Guard and Reserve military members, civilian employees, and military retirees and annuitants take charge of their pay accounts online. Soldiers and civilians can access their 2010 Tax Statements (W-2 and 1099-R) by going to <https://mypay.dfas.mil>.

Tax Forms

Federal tax forms are available at the APG Tax Centers, public libraries, post offices, and at www.irs.gov. State tax forms are available online at the taxpayer's state department of revenue website.

Electronic Filing

Free electronic filing is also available through the APG Tax Centers. However, staff must prepare the tax return at the Tax Center in order to electronically file the tax return. Electronic filing enables the taxpayer to receive their refund by check or direct deposit into their bank account rather than having it mailed. The average return time is approximately three weeks for a check mailed and about ten days for deposits made directly into a taxpayer's checking or savings account.

For further information and assistance with tax preparation and/or electronic filing, contact the Aberdeen Area Tax Center at (410) 278-9917 beginning February 8, 2011.